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09/697,009

10/25/2000

Bruce L. Davis

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7590

03/16/2011

Foley & Lardner LLP

150 EAST GILMAN STREET

P.O. BOX 1497

MADISON, WI 53701-1497

EXAMINER

JANVIER, JEAN D

ART UNIT

PAPER NUMBER

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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS  
5 AND INTERFERENCES  
6

7  
8 *Ex parte* BRUCE L. DAVIS and  
9 GEOFFREY B. RHOADS  
10

11  
12 Appeal 2010-002996  
13 Application 09/697,009  
14 Technology Center 3600  
15

16  
17 Before HUBERT C. LORIN, ANTON W. FETTING, and  
18 JOSEPH A. FISCHETTI, *Administrative Patent Judges*.  
19 FETTING, *Administrative Patent Judge*.

20 DECISION ON APPEAL<sup>1</sup>

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<sup>1</sup> The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, or for filing a request for rehearing, as recited in 37 C.F.R. § 41.52, begins to run from the “MAIL DATE” (paper delivery mode) or the “NOTIFICATION DATE” (electronic delivery mode) shown on the PTOL-90A cover letter attached to this decision.

STATEMENT OF THE CASE<sup>2</sup>

Bruce L. Davis and Geoffrey B. Rhoads (Appellants) seek review under 35 U.S.C. § 134 (2002) of a final rejection of claims 2 and 5-7, the only claims pending in the application on appeal. We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

The Appellants invented a way of using digitally marked objects with promotional campaigns (Specification 1:8-10).

An understanding of the invention can be derived from a reading of exemplary claim 5, which is reproduced below [bracketed matter and some paragraphing added].

5. A method comprising:

[1] presenting a digitally watermarked object to a reader device at a first location,

decoding information from the watermark, and

triggering a first response thereto; and

[2] presenting the object to a reader device at a second location,

decoding information from the watermark, and

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<sup>2</sup> Our decision will make reference to the Appellants' Appeal Brief ("App. Br.," filed March 16, 2006) and Reply Brief ("Reply Br.," filed December 7, 2009), and the Supplemental Examiner's Answer ("Ans.," mailed October 6, 2009).

1 triggering a second, different, response thereto.

2 The Examiner relies upon the following prior art:

Lemon US 4,674,041 Jun. 16, 1987

3 Claims 2 and 5-7 stand rejected under 35 U.S.C. § 103(a) as  
4 unpatentable over Lemon.

5 ISSUES

6 The issue of obviousness turns on whether there is evidence to show it  
7 was predictable to one of ordinary skill to use a watermark with Lemon.

8 FACTS PERTINENT TO THE ISSUES

9 The following enumerated Findings of Fact (FF) are believed to be  
10 supported by a preponderance of the evidence.

11 *Facts Related to the Prior Art - Lemon*

12 01. Lemon is directed to distributing coupons or other redemption  
13 certificates for retail sales of merchandise. Lemon 1:7-9.

14 02. Lemon uses digital data encoded on the magnetic stripe of a  
15 credit card for its promotions. Lemon 5:32-6:11. Lemon does not  
16 describe using watermarks.

17 ANALYSIS

18 We agree with the Appellants, that Lemon fails to describe using  
19 watermarks and the Examiner has provided no evidence to show it was  
20 predictable to one of ordinary skill to use a watermark with Lemon.

1 Although the Specification does not define a digital watermark, the term  
2 is well understood in the graphic arts as data encoded into a digital image.<sup>3</sup>  
3 Clearly the credit card stripe used by Lemon does not fit within this and the  
4 Examiner found so. Instead, the Examiner took official notice of the  
5 notoriety of digital watermarks. Ans. 7. While we agree digital watermarks  
6 are notoriously well known, that does not resolve the issue of whether it was  
7 predictable to trigger two different responses at two different devices after  
8 reading the same watermark. The Examiner apparently found that such a  
9 watermark would have been predictably used in place of Lemon's credit  
10 card stripe, but no evidence or even convincing line of reasoning why one of  
11 ordinary skill would have thought to make that substitution is provided. The  
12 Examiner instead found that such a digital watermark was non-functional  
13 descriptive material, which we cannot agree with since the claim  
14 functionally responds to the same watermark in two different manners.

#### 15 CONCLUSIONS OF LAW

16 Rejecting claims 2 and 5-7 under 35 U.S.C. § 103(a) as unpatentable  
17 over Lemon is in error.

#### 18 DECISION

19 The rejection of claims 2 and 5-7 under 35 U.S.C. § 103(a) as  
20 unpatentable over Lemon is not sustained.

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<sup>3</sup>PhotoNotes.org Dictionary of Film and Digital Photography  
<http://photonotes.org/cgi-bin/entry.pl?id=Digitalwatermark>

Appeal 2010-002996  
Application 09/697,009

REVERSED

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5    mev

6

7    Address

8    DIGIMARC CORPORATION

9    9405 SW GEMINI DRIVE

10   BEAVERTON OR 97008